

House File 628 - Introduced

HOUSE FILE 628

BY DE BOEF

A BILL FOR

1 An Act eliminating certain specific statutory limits on wage
2 garnishments.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 537.5105, subsection 2, paragraph a,
2 Code 2011, is amended to read as follows:

3 ~~a. In addition to the provisions of section 642.21, the~~
4 The maximum part of the aggregate disposable earnings of an
5 individual for any workweek which is subjected to garnishment
6 to enforce payment of a judgment arising from a consumer credit
7 transaction may not exceed the lesser of twenty-five percent
8 of the individual's disposable earnings for that week, or
9 the amount by which the individual's disposable earnings for
10 that week exceed forty times the federal minimum hourly wage
11 prescribed by the Fair Labor Standards Act of 1938, 29 U.S.C. §
12 206(a)(1), in effect at the time the earnings are payable.

13 Sec. 2. Section 642.21, subsection 1, Code 2011, is amended
14 to read as follows:

15 1. The disposable earnings of an individual are exempt from
16 garnishment to the extent provided by the federal Consumer
17 Credit Protection Act, Title III, 15 U.S.C. § 1671 - 1677
18 (1982). ~~The maximum amount of an employee's earnings which~~
19 ~~may be garnished during any one calendar year is two hundred~~
20 ~~fifty dollars for each judgment creditor, except as provided~~
21 ~~in chapter 252D and sections 598.22, 598.23, and 627.12, or~~
22 ~~when those earnings are reasonably expected to be in excess of~~
23 ~~twelve thousand dollars for that calendar year as determined~~
24 ~~from the answers taken by the sheriff or by the court pursuant~~
25 ~~to section 642.5, subsection 4. When the employee's earnings~~
26 ~~are reasonably expected to be more than twelve thousand dollars~~
27 ~~the maximum amount of those earnings which may be garnished~~
28 ~~during a calendar year for each creditor is as follows:~~

29 ~~a. Employees with expected earnings of twelve thousand~~
30 ~~dollars or more, but less than sixteen thousand dollars, not~~
31 ~~more than four hundred dollars may be garnished.~~

32 ~~b. Employees with expected earnings of sixteen thousand~~
33 ~~dollars or more, but less than twenty-four thousand dollars,~~
34 ~~not more than eight hundred dollars may be garnished.~~

35 ~~c. Employees with expected earnings of twenty-four thousand~~

1 ~~dollars or more, but less than thirty-five thousand dollars,~~
2 ~~not more than one thousand five hundred dollars may be~~
3 ~~garnished.~~

4 ~~d. Employees with expected earnings of thirty-five thousand~~
5 ~~dollars or more, but less than fifty thousand dollars, not more~~
6 ~~than two thousand dollars may be garnished.~~

7 ~~e. Employees with expected earnings of fifty thousand~~
8 ~~dollars or more, not more than ten percent of an employee's~~
9 ~~expected earnings.~~

10 Sec. 3. Section 642.22, subsection 1, paragraph a, Code
11 2011, is amended by striking the paragraph.

12 EXPLANATION

13 Under Code section 642.21, an employee's disposable earnings
14 are exempt from garnishment to the extent provided by the
15 federal Consumer Credit Protection Act. Code section 642.21
16 also contains maximum dollar amounts that may be garnished
17 during any one calendar year. This bill eliminates these
18 statutory limits.